

Clark Equipment Co v Registrar of Trade Marks [1964] HCA 55

HIGH COURT OF AUSTRALIA

KITTO J

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This is an appeal under s. 46 of the *Trade Marks Act 1955-1958 Cth* to the High Court as the Appeal Tribunal constituted by that Act from a refusal by the Assistant Registrar of Trade Marks to accept an application for the registration of a trade mark.

The application was for the registration of the word **Michigan** as a trade mark in respect of tractor shovels, front-end loaders, crawler-type and truck-mounted excavator cranes, power shovels and cranes, bulldozers, tractor dozers, tractor scrapers, tractor loggers, and accessories and attachments therefor. The application was made before the commencement of the *Trade Marks Act 1955 Cth*. That Act came into force while the application was still unaccepted, and thereupon the Assistant Registrar, at the appellant's request and by authority of s. 5 (5) of the Act, treated the application as an application for registration in Part B of the Register and dealt with it accordingly. He refused the application because of the geographical signification of the word.

The provisions of the *Trade Marks Act 1955* upon which the appeal depends are in ss. 25 and 26. The former section makes a trade mark registrable in Part B of the Register if it is distinctive, or is not distinctive but is capable of becoming distinctive, of goods in respect of which the registration is sought and with which the applicant for registration is or may be connected in the course of trade. Sub-section (1) of s. 26 provides that for the purposes of the Act a trade mark is not distinctive of the goods of a person unless it is adapted to distinguish goods with which that person is or may be connected in the course of trade from goods in respect of which no such connexion exists. Then sub-s. (2) provides that in determining whether a trade mark is distinctive, regard may be had to the extent to which (a) the trade mark is inherently adapted so to distinguish, and (b) by reason of the use of the trade mark or of any other circumstances, the trade mark does so distinguish.

On the evidence before me I am satisfied that in Australia the word **Michigan** has been extensively used by the appellant for more than twenty years as a mark to distinguish its goods

of the description in respect of which registration is sought, and that its use of the word for that purpose, in advertisements and upon its products themselves, has resulted in a widespread recognition of the word, among persons concerned with products of the kind, as distinguishing the appellant's goods from the goods of other persons. But s. 26 makes it plain that that is not enough to entitle the appellant to the registration it seeks. I need not dwell upon the point that the word "registrable" in s. 25 (1) is appropriate to allow for, and at least does not displace, the view often expressed or implied in judgments of the courts that the Registrar has a discretion to refuse registration even where the express requirements of the Act appear to be satisfied. I am concerned more with the fact that s. 26, having in sub-s. (1) denied registrability unless the mark is "adapted to distinguish" the applicant's goods, by sub-s. (2) dissects the expression "adapted to distinguish" so as to show that two inquiries are relevant—not only an inquiry concerning acquired distinctiveness but an inquiry concerning the inherent fitness of the mark for the purpose of distinguishing the applicant's goods from those of other persons. It is undeniable that a mark which, considered by itself, would seem unadapted to that purpose, because its natural signification is against a notion that goods to which it is applied are the goods of the applicant and of no one else, may yet come by actual use or by virtue of special circumstances to be so closely associated with the applicant's goods in the minds of the relevant public that its apparently disqualifying signification is effectually obscured, and distinctiveness in fact is thus achieved. But although such a measure of practical success with the mark may well provide a sufficient foundation for a passing-off action, the *Trade Marks Act* does not accept it as necessarily sufficient for the special protection which it affords to registered trade marks. True, the Act does not say that a mark which has any degree of natural unsuitability to distinguish an applicant's goods shall be refused registration notwithstanding that it has acquired a degree of distinctiveness in relation to his goods; but it does require that if the mark is to any extent inherently unadapted for the purpose that fact shall be weighed in the scales against the degree of acquired distinctiveness in determining the ultimate question whether the mark is registrable as being "adapted to distinguish" the applicant's goods.

That ultimate question must not be misunderstood. It is not whether the mark will be adapted to distinguish the registered owner's goods if it be registered and other persons consequently find themselves precluded from using it. The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In *Registrar of Trade*

*Marks v. W. & G. Du Cros Ltd.*¹ Lord Parker of Waddington, having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not "adapted to distinguish" the applicant's goods, defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return for an understanding of the problem in a case such as the present. His Lordship said: "The applicant's chance of success in this respect [i.e. in distinguishing his goods by means of the mark, apart from the effects of registration] must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connexion with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the *Trade Marks Acts* a monopoly in what others may legitimately desire to use." The interests of strangers and of the public are thus bound up with the whole question, as *Hamilton L.J.* pointed out in the case of *R. J. Lea, Ltd.*;² but to say this is not to treat the question as depending upon some vague notion of public policy: it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives—in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess—will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

The fact that this is the test is the basic reason for the frequent refusal, exemplified in this Court by the case of *Thomson v. B. Seppelt & Sons Ltd.*,³ to register as a trade mark a word of prima facie geographical signification. It is well settled that a geographical name, when used as a trade mark for a particular category of goods, may be saved by the nature of the goods or by some other circumstance from carrying its prima facie geographical signification, and that for that reason it may be held to be adapted to distinguish the applicant's goods. Where that is so

¹ [1913] A.C. 624, at pp. 634, 635.

² [1913] 1 Ch. 446, at p. 463; (1913) 30 R.P.C. 216, at p. 227.

³ (1925) 37 C.L.R. 305.

it is because to an honest competitor the idea of using that name in relation to such goods or in such circumstances would simply not occur: see per Lord *Simonds* in the Yorkshire Copper Works Case.⁴ This is the case, for example, where the word as applied to the relevant goods is in effect a fancy name, such as "North Pole" in connexion with bananas: *A. Bailey & Co. Ltd. v. Clark, Son & Morland Ltd. (the Glastonbury Case)*⁵ (see also the *Livron Case*⁶), or where by reason of user or other circumstances it has come to possess, when used in respect of the relevant goods, a distinctiveness in fact which eclipses its primary signification. Cf. in the case of a descriptive word: *Dunlop Rubber Co.'s Application*.⁷ But the probability that some competitor, without impropriety, may want to use the name of a place on his goods must ordinarily increase in proportion to the likelihood that goods of the relevant kind will in fact emanate from that place. A descriptive word is in like case: the more apt a word is to describe the goods, the less inherently apt it is to distinguish them as the goods of a particular manufacturer. This may seem at first blush a paradox, as Lord *Simonds* and Lord *Asquith* suggested in the Yorkshire Copper Works Case,⁸ but surely not when Lord *Parker's* exposition of the subject is borne in mind.

The consequence is that the name of a place or of an area, whether it be a district or a county, a state or a country, can hardly ever be adapted to distinguish one person's goods from the goods of others when used *simpliciter* or with no addition save a description or designation of the goods, if goods of the kind are produced at the place or in the area or if it is reasonable to suppose that such goods may in the future be produced there. In such a case, the name is plainly not inherently, i.e. in its own nature, adapted to distinguish the applicant's goods; there is necessarily great difficulty in proving that by reason of use or other circumstances it does in fact distinguish his goods; and even where that difficulty is overcome there remains the virtual if not complete impossibility of satisfying the Registrar or the Court that the effect of granting registration will not be to deny the word to a person who is likely to want to use it, legitimately, in connexion with his goods for the sake of the geographical reference which it is inherently

⁴ (1953) 71 R.P.C. 150, at p. 154.

⁵ [1938] A.C. 557, at p. 562; (1938) 55 R.P.C. 253, at p. 257.

⁶ (1937) 54 R.P.C. 327, at p. 339.

⁷ (1942) 59 R.P.C. 134.

⁸ (1954) 71 R.P.C. 150, at pp. 154, 156.

adapted to make. The leading authorities on the subject include the Yorkshire Copper Works Case⁹ (the judgment of Lord *Evershed* in that case when it was in the Court of Appeal¹⁰ contains a valuable discussion of the topic), the Glastonbury Case¹¹ and the Liverpool Electric Cable Co. Case.¹² These cases show, as the Registrar said in the Dan River Case¹³ in a decision which was endorsed by *Lloyd-Jacob J.*, that there is a category of words which are so adapted for descriptive purposes that no amount of acquired distinctiveness can justify their registration, and that among such words are the names of large and important industrial towns or districts, and also of smaller towns or districts if they are a seat of manufacture of the goods for which registration is sought.

The principles to which I have referred appear to me to conclude the present case against the appellant. Michigan is the name of a State of the United States of America. The appellant produces there goods of the kind for which it uses the name as its mark in Australia as well as in America. It is true that there is no evidence before me that any other manufacturer produces similar goods in Michigan at present, but it is a matter of common knowledge, of which I take judicial notice, that in the State there are important manufacturing centres, and it is well within the bounds of reason to suppose that persons other than the appellant may in the future produce there goods similar to some or all of the goods comprised in the category for which the appellant now seeks trade mark registration. There are only two circumstances which may be considered as tending to diminish the normal likelihood that another manufacturer of (for example) power cranes in Michigan, sending his goods to Australia, may fairly wish to use the word Michigan in respect of them in this country in a manner which a trade mark registration would prevent. One circumstance I have mentioned already: it is that the word has at present a reputation here as referring specifically to the appellant's goods. The other I have not mentioned: it is that in the United States the appellant has obtained registration of the word **Michigan** as a trade mark in respect of such goods as those described in its present application. No evidence has been tendered as to the effect of trade mark registration according

⁹ (1954) 71 R.P.C. 150.

¹⁰ (1953) 70 R.P.C. 1.

¹¹ [1938] A.C. 557; (1938) 55 R.P.C. 253.

¹² (1929) 46 R.P.C. 99.

¹³ [1962] R.P.C. 157, at p. 160.

to United States law, but I shall assume for the purposes of the case that apart from the appellant no manufacturer of the relevant goods, not even a Michigan manufacturer, is free to use the word Michigan in the manner of a trade mark for his goods in the United States. The appellant submits that for that reason no such manufacturer will be very likely to want the word for use in Australia in any manner which would infringe a registered trade mark consisting of the word, especially if he knows, as he almost certainly will, of the distinctiveness the word has come to have in this country. But even allowing for the cumulative effect of these considerations it seems to me impossible to conclude that there is no likelihood of other traders, in the ordinary course of their businesses and without any desire to get for themselves a benefit from the appellant's reputation, wishing in advertisements and otherwise to describe (e.g.) their power cranes from Michigan as Michigan power cranes. They may well wish by such means to take legitimate advantage of a reputation which they believe or hope that the State of Michigan possesses among Australians for the quality of its manufacturing products, and it would be contrary to fundamental principle to grant a registration which would have the effect of denying them the right to do so by using the name of the State. It is no answer to say that if registration be granted such a manufacturer may nevertheless describe his goods as "made in Michigan" or in some other ways indicate that Michigan is their place of origin. He is not to be excluded by the registration of a trade mark from any use of the word Michigan that he may fairly want to make in the course of his business.

For these reasons I am of opinion that **Michigan** is not adapted, and is not capable of becoming adapted, to distinguish goods of the relevant kinds with which the appellant is or may be connected in the course of trade from goods in respect of which no such connexion subsists, and is therefore not registrable in Part B as being or as capable of becoming distinctive of goods in respect of which registration is sought and with which the appellant is or may be connected in the course of trade.

Accordingly, I hold that the Assistant Registrar was right in refusing to accept the application in this case, and I dismiss the appeal.